

<i>Institution</i>	<i>Amount (Rs. Crores)</i>			<i>Rate of Interest</i>
	<i>1988-89</i>	<i>1989-90</i>	<i>1990-91</i>	
2. Asian Development Bank	20.28	36.23	325.17	6.5 percent
3. Organisation of Petroleum	28.97	6.92	9.84	Service charge between 0.5% to 0.75%.

(b) Does not anse

**Evasion of Excise Duty by big Industries**

3751 SHRI MOHAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that some of the big industries manufacturing consumer goods have set up units in the small scale sector also for getting the supply of manufactured goods at concessional rates of Central excise duty fixed for the small scale sector; and

(b) if so, the steps taken or proposed to be taken by the Government to check evasion of duty in such an illegal manner?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) As per the provisions of Notfn. No. 175/86-CE dated 1.3.86 vide which duty concessions have been granted to small scale industries, it is permissible to manufacture excisable goods in the small scale sector and to supply them to the big companies who market the same. The concession continues to be available as long as the transaction between the small scale manufacturers and big industries are on principal to principal basis. Where the

goods are manufactured by the small scale manufacturer on job work basis, the concession is available if the relationship between the raw material supplier and the job worker is one of principal to principal. However, if from the facts of the case and the terms of agreement between the raw material supplier and the job worker, it can be established that the job worker is a dummy unit or is just a hired labour of the raw material supplier, then the raw material supplier would be the principal manufacturer and the benefit of small scale exemption to the job worker will not be available.

(b) Whether any case of misuse of the concession granted to small scale industries is noticed, appropriate remedial action to recover duty and impose penalty is taken. Anti-evasion machinery has been asked to step up their efforts to check evasion of duty inter alia by misuse of the concessions available to small scale industries.

**Imbalance in exports**

3752. SHRI MOHAN SINGH: Will the Minister of COMMERCE be pleased to state:

(a) the extent to which exports registered increase during the months of July, August, September and October, 1991 both in terms of rupee and dollars after the devaluation of

rupee as compared to the corresponding period of 1990; and

(b) the steps taken by the Government to remove this imbalance in exports?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.

CHIDAMBARAM): (a) The provisional figures of the foreign trade for the current financial year are available upto September, 1991. The details of Month-wise growth of exports during July, August and September, 1991 compared to the corresponding period of the previous year, both in Rupee and Dollar terms, are given below:

(value Rs: Crores)

*Rupee Terms*

<i>Month</i>	<i>1990-91</i>	<i>1991-92</i>	<i>%age growth</i>
July	2506	3313	+ 32.2
August	2429	3441	+ 41.7
September	2567	3656	+ 42.4

(Value :US \$ Million)

*Dollar Terms*

<i>Month</i>	<i>1990-91</i>	<i>1991-92</i>	<i>%age growth</i>
<i>July</i>			
GCA	1139	1200	+ 5.4
RPA	303	101	-66.7
<i>AUGUST</i>			
GCA	1192	1257	+ 5.5
RPA	254	86	-66.1
<i>SEPTEMBER</i>			
GCA	1160	1280	+10.3
RPA	279	132	-52.7

Source: DGCI&S, Calcutta.

(b) The Government introduced a package of trade policy reforms aimed at strengthening of export incentives, eliminating substantial value of import licensing and optimal import compression. REP licences have been replaced by a new instrument named Exim Scrips. These will be the means of obtaining access to certain categories of imports of raw materials, components and spares. The system of advance been strengthened. Government has decided to allow established exporters to open Foreign Currency Accounts in approved banks and allow exporters to raise external credits, export proceeds to such accounts. Besides, Government have taken other steps which include reducing controls through licensing, simplification of procedures for export, activation of Board of Trade, bilateral discussion with selected countries, interaction with national organisations of trade and industry, etc.

#### **Financial Institutions**

3753. SHRI MOHAN SINGH: Will the Minister of FINANCE be pleased to state:

- (a) the number of recognised financial institutions in the private and public sectors;
- (b) the criteria laid down by the Government to grant permission to these financial institutions to raise equity capital;
- (c) whether these financial institutions submit their annual account to the Reserve Bank of India or any other authority; and
- (d) if so, the details of the capital invested by the public in these financial institutions and the sectors in which this money is utilized?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) There are 18 Public Financial

Institutions as defined under Section 4-A of the Companies Act, 1956. While 10 of these are registered under the Companies Act, 1956, of which 5 are non-Government companies under Section 617 of the Companies Act, 8 have been set up as Statutory Bodies.

(b) Equity capital is raised by these Institutions in terms of the provisions of their respective Statutes of Memoranda and Articles of Association applicable to them. The extent of equity capital to be raised by each institution is guided by the need for maintaining a particular debt-equity ratio.

(c) Each Institution is required to submit its annual accounts to one or more authorities such as Government of India, Reserve Bank of India, Registrar of Companies, etc.

(d) Of the 18 Public Financial Institutions public share-holding is limited to ICICI (32.32% of its paid up capital), SCICI (26.61% of its paid up capital) and TDICI (0.005% of its paid up capital). Each Institution utilises its resources in furtherance of its objectives.

#### **Rural Development by RRBS in Orissa**

3754. SHRI MRUTYUNJAYA NAYAK: Will the Minister of FINANCE be pleased to state:

- (a) the number of branches of Regional Rural Banks in Orissa, district wise; and
- (b) the role played by these banks in the rural development of the State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) As at the end of March, 1991, 819 branches of 9 Regional Rural Banks (RRBs) were functioning in Orissa. Their district-wise details are given below: